

There's a Proptech revolution happening in 2024

In the rapidly evolving world of property technology, or Proptech, the real estate sector is being transformed. Technological innovation is enhancing value for all stakeholders, streamlining processes, bolstering transparency, and refining the user experience. In every industry, it's crucial for businesses and consumers to comprehend and leverage these changes to inform their future strategies and actions. Andrea Carr, the head of R&D at E4, has identified several trends that will shape the industry in 2024 and beyond.



Andrea Carr, head of R&D at e4

Smart contracts

The real estate industry has long been plagued by inefficiencies, lack of transparency, and high transaction costs, says Carr, but blockchain technology is changing this.

"Blockchain technology and smart contract development is revolutionising the way the world conducts real estate transactions. Smart contracts can automate the process of documenting the transfer of property ownership, creating efficiencies and reducing paperwork while being more secure and cost-effective."



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Antonie Goosen 23 Jan 2024



South Africa is unfortunately behind the curve when it comes to regulating, accepting and adopting these technologies, she says, but it's still a significant and noteworthy trend in the local market.

“ In the short term, we can expect that a fully digital fulfilment process can be applied where these contracts are created and signed and stored in an irrefutable ledger ”

"But it's going to take some years to replace the physical Deeds Office," Carr explains. "As a government mandate and budget will be required to digitise this process completely, and it should be done in a phased approach."

Digitising a power of attorney to pass transfer is also on the horizon but will require industry-wide buy-in to affect the necessary legislation to replace this physical process, she says.

Fractional ownership

Being able to tokenise real estate assets makes it possible for blockchain to enable the concept of fractional ownership in a more secure, legitimate, and transparent way, says Carr.

“Blockchain fractional ownership involves dividing tangible (or intangible) assets into smaller units. These get represented by digital tokens on a blockchain network. Each token corresponds to a specific fraction of the asset’s value – and the ownership of these can be formalised by an irrefutable ledger of record.”

Though this isn’t a new trend, it will soon become normalized and accepted as a mainstream way of purchasing a higher-value physical asset that one wouldn’t traditionally be able to afford, she adds.

“Currently only a very small percentage of properties are purchased this way, but it’s set to become more popular – especially considering the current economic climate.”

AI

Artificial intelligence (AI) and Machine Learning (ML) have ushered in a new era of efficiency in almost all industries, and the real estate sector is no different. “

AI and the impact it’ll have on the industry is unknown now, but we can expect to see this technology used to assist with lead generation, customer service through smarter chatbots, and personalised digital marketing,” says Carr.

“Predictive analytics are also being used by real estate companies to forecast trends, identify potential investments, and make data-driven decisions.”

AR/VR

Augmented and virtual reality will enjoy greater adoption, with the global AR and VR market in real estate expected to reach \$2.6bn by 2025.

“This trend became necessary during the pandemic and continues to grow, allowing prospective buyers and tenants to tour properties remotely in a highly immersive manner. It’s especially beneficial for international or long-distance clients,” she explains.

Smart homes

It's predicted that in some countries, smart homes will become the standard in 2024 and beyond, but South Africa has a notable barrier to adoption with its current electricity crisis.

“ IoT-connected systems enable real-time monitoring and management of various aspects of a building, such as energy usage, air quality, security, and maintenance. It increases efficiency and user experience while reducing costs. ”

"Though the power crisis presents a considerable challenge to those looking to adopt this trend in South Africa," she says, "sustainable power solutions and innovative funding options for these will still allow this trend to start taking hold."

Strategic application

"When strategically applied, R&D can be a game-changer in maintaining a competitive edge in a fiercely competitive world. Our goal in 2024 is to launch several initiatives that align with our strategic roadmap," says Carr.

"While the PropTech industry will continue to be our primary focus, we're also branching out into other sectors in search of digital solutions to address their existing challenges. The versatility of technology and the solutions we've developed in the past enable us to quickly apply them across various industries to effect change and expedite process improvements."

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